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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 12, 2011

Alysen Swensen
CML Metals Corporation
6249 West Gilbert Industrial Court
Hurricane, Utah 84737

Subject: Permitting for Gilbert Development Corporation Office/Shop, CML Metals Corporation, Iron Mountain Mine, M/021/0008, Iron County, Utah

Dear Ms. Swensen

On October 3, 2011, I spoke with you by telephone about whether it would be necessary to permit an office/shop building to be built near the Iron Mountain mine. The definition of "mining operations" in rule R647-1-106 excludes off-site operations, and the shop would not be within the currently permitted area. At the closest, the shop would be about 550 feet from the disturbed area.

The office/shop building would be built and used by Gilbert Development Corporation with a portion sub-leased to Komatsu. It would be used to service mine equipment, machinery operated by Gilbert Development, and various other companies' equipment.

Considering the ownership and multiple use nature of this facility together with its location outside the permitted area, it does not need to be included as part of the mine plan and reclamation surety. The Division of Oil, Gas and Mining reserves the right, however, to re-evaluate this decision in the future if the ownership or use of the facility changes.

Please ensure that you follow the rules of other governmental entities as you plan and build this facility. Thank you for your cooperation. Please call me at 801-538-5261 or Lynn Kunzler at 801-538-5310 if you have questions about this letter.

Sincerely,

Paul B. Baker
Minerals Program Manager

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